

# INFORMATION LETTER

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NATIONAL CANNERS ASSOCIATION

For Members  
Only

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## How Proposed Controls Might Affect Cannery

President Truman's message to Congress on July 19 signals the early institution of general economic controls which may affect the canning industry either directly or indirectly. The President's recommendations included:

### Priorities and Allocations

The President recommended enactment of legislation authorizing the government "to establish priorities and allocate materials as necessary to promote the national security; to limit the use of materials for non-essential purposes; to prevent inventory hoarding; and to requisition supplies and materials needed for the national de-

fense, particularly excessive and unnecessary inventories."

It would appear that a voluntary allocation of steel may be effected in the near future, but there is no indication at this time that such allocation would materially affect the canning industry.

Although priorities were mentioned by the President, the industry's experience during World War II indicates that the priority system applied to the delivery of strategic materials requires considerable time to effect. It was used largely to supplement allocation orders when the magnitude of the war pro- *(Please turn to page 235)*

## Administrative Council Alerted for Special Meeting

The Administrative Council has been alerted to prepare for a special meeting in Washington in the near future to discuss prospective developments affecting the canning industry which may arise out of the Korean crisis.

Earlier, the N.C.A. Board of Directors and the Administrative Council were sent a brief summary of then-current thinking with respect to possible government mobilization plans.

With the reactivation of food planning work in the National Security Resources Board—through the appointment of Frank C. Elliott to

be NSRB food planning specialist—the Association may be called upon to discuss mutual mobilization problems affecting government and the industry.

N.C.A. President Henry Taylor consequently has agreed to appoint a special industry committee which would be available for consultation and to give assistance in actuating any required control programs.

It is expected that the functions of such an industry committee will be studied by the Administrative Council at its forthcoming meeting.

## Hearings Begin Monday on Administration's Defense Production Bill

Hearings will be held beginning Monday, July 24, by the Senate Committee on Banking and Currency on S. 3936, the administration's bill which is intended to carry out the requests and recommendations contained in the President's message to Congress.

This measure and a companion bill, H. R. 9176, were introduced in the Senate and House following the reading of the President's message.

The Administration's proposals contain five major sections covering priorities and allocations; authority to requisition materials and facilities; expansion of production, capacity and supply; control of credit and commodity speculation; and a general authorization facilitating and implementing these programs. The legislation also would make voluntary allocation programs possible by absolving from *(Please turn to page 236)*

## INSECTICIDES

### Food and Drug Pesticide Tolerance Hearings

Following is a summary, prepared by Association Counsel and staff, of the proceedings at the FDA hearing on insecticide tolerances from July 10 through July 14, 1950.

Following a six weeks' recess, the FDA insecticide tolerance hearing was resumed on July 10. Necessity for use testimony was completed in the previous sessions, and so the present phase of the hearing is concerned with the toxicity aspects of the various insecticides.

Testimony on this subject will be presented, chemical by chemical, in accordance with a previously issued schedule. The chemicals which were discussed during the week July 10-14 were lead arsenate, DDT, DFDT, DMC, phenothiazine, parathion and the methyl homologue of parathion.

The first witness to testify was Dr. Paul A. Neal, of the U. S. Public Health Service, who gave a description of the field and laboratory toxicity studies of lead arsenate which were conducted in the late 30's. These studies revealed the approximate lead arsenate intake of orchardists and of consumers of unwashed apples sprayed with lead arsenate. It was indicated that not all of the lead arsenate is eliminated from their systems. Other feeding studies established the toxic effects of ingesting excessive amounts of lead arsenate. The end result of this research was the issuance of informal tolerances of .05 grains per pound for lead and .025 for arsenate on apples and pears.

Dr. E. P. Laug reported the results of an FDA study of the pharmacological properties of inorganic arsenies. He said that prolonged arsenic ingestion could constitute a health hazard unless consumption was less than 5 mg. a day in the trioxide form. He preferred a limit of 3 mg. per day.

Dr. Kehoe, director of the University of Cincinnati Kettering Laboratory, said that everyone has some lead in his body but that it is poisonous only when accumulated in large amounts. Progressive accumulation occurs when there is excessive lead ingestion and can be avoided if the daily intake does not exceed 6 mg. per day.

The next insecticide discussed was DDT. Dr. Neal returned to describe toxicity studies which had been conducted by the U. S. Public Health Service. The conclusion drawn from them was that while DDT is a poison, it is not hazardous when consumed in small quantities. He estimated that a maximum daily intake of 5 mg. could be consumed with safety.

Dr. O. G. Fitzhugh, an FDA pharmacologist, summarized a series of

DDT toxicity studies conducted by the FDA. Among the conclusions he expressed were (1) DDT is a chronic poison and has been shown to cause liver damage in all species of animals studied; (2) a level of 50 ppm in the diet of rats affects the reproduction rate and 100 ppm increases their mortality rate; (3) it accumulates in the tissues; (4) it is excreted in both animal and human milk and (5) it affects the enzyme and central nervous systems. Dr. Fitzhugh said that despite its poisonous qualities, small quantities of DDT could be ingested daily by humans without danger to their health. He set an upper limit of ingestion of 2.5 mg. per day.

The Geigy Company presented Dr. F. F. Heyroth of Kettering Laboratory who described the results of a toxicological study of DDT conducted for Geigy. His findings were quite similar to those reported by Doctors Neal and Fitzhugh. He thought their estimates of safe consumption levels were well within proper limits.

Dr. E. F. Knipling of the USDA testified as to the results of DDT toxicity tests conducted upon cattle, sheep, swine and horses. Animals which had been sprayed with or dipped in DDT solutions displayed no toxic effects although the DDT was found stored in their fatty tissues. It was excreted in the milk of the cattle with the result that it was found in the tissues of calves not otherwise exposed to DDT. There seem to be no toxic effects from oral ingestion of DDT until the dosages become large.

The final DDT witness was Dr. Clyde Biddulph of the Utah State Agricultural College. He said that studies of lambs and dairy cows fed DDT-treated forage showed no toxic effects. The DDT was found stored in their tissues and was excreted in the milk of the dairy cows. No ill effects or growth retardation was noticed among their offspring. Similar tests conducted with methoxychlor treated forage disclosed no methoxychlor in the milk, blood or tissues of the test animals.

Dr. B. F. Voss, an FDA pharmacologist, said that DFDT (di fluoro diphenyltrichloroethane) is poisonous but that there is insufficient data to determine whether or not continuous ingestion of small quantities would constitute a health hazard.

Another FDA pharmacologist, Geoffrey Woodard, testified that preliminary tests of DMC show that it affects the central nervous systems of animals when ingested with oral doses. While the effect appears to be less severe than that caused by DDT, until there

is further pharmacological knowledge it should be considered as having the same degree of toxicity. Concerning phenothiazine, Mr. Woodard said that a literature survey of toxicity tests supported the conclusion that a daily intake up to 10 mg. would not constitute a health hazard.

The last two insecticides discussed were parathion and the methyl homologue of parathion. Dr. J. P. Frawley of the FDA described toxicity tests conducted on rats and dogs and reported the results of a literature survey of parathion toxicity. He said that (1) repeated doses of 1 mg. per kilogram of parathion result in death of rats within a few weeks; (2) 5 mg. per kilogram kills dogs within a few weeks; (3) although pathologic changes of anatomical nature were at a minimum, the animals did exhibit functional changes on continuous ingestion of small amounts of parathion; (4) repeated intraperitoneal doses of 1 mg. per kilogram resulted in progressive decrease in brain cholinesterase activity; and (5) a dosage of 0.2 mg. per kilogram caused a daily depression of the cholinesterase activity of blood plasma of dogs. Dr. Frawley concluded by saying that while parathion has extremely high acute toxicity, it is relatively non-toxic chronically. Therefore, a daily intake by humans of as much as 2.5 mg. would not constitute a health hazard.

Concerning the new insecticide, methyl parathion, he said that there isn't sufficient information known about its toxicity to justify treating it any differently than regular parathion.

The American Cyanamid Company, manufacturers of parathion, presented three witnesses, the first of whom was Dr. L. W. Hazelton. He described animal feeding tests which produced toxicity information similar to that obtained by the FDA. He emphasized that parathion presents a problem of acute toxicity rather than a chronic one with the result that it is more of a hazard to the applicator than to the consumer. Dr. C. H. Thienis, head of the pharmacology department at the University of Southern California, told of a toxicity test of rats fed orange peels and orange juice from parathion sprayed trees. No toxic effects of any kind were noted among the rats. Dr. F. C. Fountain, professor of dairy husbandry at Kansas State College, discussed the effects of feeding parathion to dairy cattle. An average intake of 51 mg. per kilogram of body weight had no apparent effect upon milk production, body weight, general health and reproduction. Upon the basis of data obtained in this experiment, Dr. Fountain concluded that a daily human consumption figure of 2.5 mg. was quite safe.

The last witness of the week was Dr. W. B. Deichman, of the University of Albany, Albany, N. Y. He has

performed acute toxicity tests for the Geary Chemical Corporation in which he compared their product, Metacide (33 percent active insecticide composed of 80 percent methyl parathion and 20 percent parathion in 67 percent emulsifier 8139) to parathion. He used both rats and rabbits and exposed them orally and cutaneously to methyl parathion, parathion and the 80:20 mixtures. The results showed that methyl parathion and the 80:20 mixture were less toxic than parathion. He demonstrated by other tests that all the above products were less toxic when formulated with emulsifier 8139, a polyethylene glycol.

This concluded the testimony for the week. As can be seen, the general pattern is for the government to introduce what toxic information it has on each chemical with a conclusion as to how much, if any, can be safely consumed daily. Private industry then presents what data it has. To date, there has been little disagreement with the possible exception being the new insecticide dimethyl parathion.

## CONGRESS

### Antitrust Amendments

The House on July 17 passed and sent to the Senate H. R. 8763, to amend sections 4 and 5 of the Clayton Act. The bill would result in these major changes in the antitrust laws:

(1) It would permit the U. S. government to bring action for actual damages sustained where there had been violations of the antitrust laws and the government had been directly affected and damaged.

(2) It would provide a uniform statute of limitations with respect to bringing of triple damage suits under the Sherman Act by persons aggrieved by antitrust law violations. The statute of limitations would be six years.

H. R. 8763 was introduced and supported by Representative Celler (N. Y.), chairman of the House Judiciary Committee.

### Effects of Proposed Controls

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duction reached the point where supplies for civilian needs had been drastically curtailed. It is obvious that the \$10 billion preparedness effort recommended by the President may require the use of a very large part of the national production and also utilize supplies of some materials in the national stockpile. Controls other than those recommended by the President

may become necessary when and if the national security effort is intensified.

The President also indicated that limitation orders might be used in conjunction with the allocation of materials. It is possible that the demand for canned foods for the armed services will increase the use of tinplate for food containers. Unless there is an increase above peacetime use levels in the allocation of steel for containers, some limitation on the end use of tinplate may eventually be put into effect.

The current world production and U. S. imports of tin, if not interrupted, probably will take care of anticipated needs without requiring the use of reserves. Official information on the amount of tin in the national stockpile is not available, but it is believed that in view of the Korean crisis efforts to stockpile tin and other strategic materials will be accelerated.

### Higher Taxes

The President also recommended enactment of a new tax bill providing additional revenue. His message said, in part: "We must provide for a balanced system of taxation which makes a fair distribution of the tax burden among the different groups of individuals and business concerns in the nation. A balanced tax program should also have as a major aim the elimination of profiteering."

A tax program, his message announced, will be sent to Congress "as soon as the necessary studies are completed."

### Controls on Consumer Demand

The President said that the new tax program, as well as restraints on consumer credit and privately-financed real estate credit, will serve as important safeguards against inflation. The President expressed the hope that these consumer demand controls may hold inflation in check. But should these prove ineffective, the message said, the President will recommend price controls.

No mention was made of wage controls, however. Experience during the last war proved that price controls without corresponding controls on production costs hampered rather than stimulated production in many instances.

Hoarding and scare buying were condemned by the President. If the otherwise adequate supplies of food are materially reduced by such practices, the President stated, he will recommend reinstitution of rationing.

## STATISTICS

### Canned RSP Cherry Stocks

A report on canners' stocks and shipments of canned red sour pitted cherries has been compiled by the Association's Division of Statistics, and a detailed report has been mailed to all canners packing this product.

#### Canned RSP Cherry Stocks and Shipments

	1948-49	1949-50
	(actual cases)	
Carryover, July 1.....		
Pack.....	3,552,210	3,445,323
Total supply.....	3,552,210	3,445,323
Stocks, July 1.....	(a)	30,332
Shipments during June.....	(a)	79,767
Shipments, July 1 to July 1.....	(a)	3,414,991

(a) Not compiled, depleted stocks.

### Canned Meat Report

The U. S. Department of Agriculture has resumed publication of reports on canning of meat and meat products. Publication of monthly reports on meat packed under Federal inspection was ended following issuance of the summary for December, 1949.

The new series reports canned meats packed during cumulative weekly periods, rather than on a calendar month basis.

#### Canned Meat and Meat Products Processed under Federal Inspection April 30-May 27, 1950\*

Canned Items	3 lbs. Under & over 3 lbs.	Total
(in thousand pounds)		
Luncheon meat.....	14,473	9,006 23,479
Canned ham.....	13,802	282 14,084
Corned beef hash.....	181	2,313 2,494
Chili con carne.....	81	3,174 3,255
Vienna sausage.....	35	3,431 3,466
Frankfurters and wieners in brine.....	18	1,198 1,216
Deviled ham.....		443 443
Other potted and deviled meat products.....		3,188 3,188
Tamales.....	27	799 796
Sliced dried beef.....	25	345 370
Liver products.....		125 125
Meat stew.....	19	1,097 1,716
Spaghetti meat products.....	78	2,850 2,928
Tongue (except pickled).....	68	279 367
Vinegar pickled products.....	831	1,583 2,414
Bulk sausage.....	3	657 659
Hamburger.....	38	1,368 1,406
Soups.....	485	39,623 40,108
Sausage in oil.....	198	222 420
Tripe.....	14	761 775
Brains.....		212 212
Bacon.....	119	544 663
All other products 20% or more meat.....	284	3,787 3,071
All other products less than 20% meat (except soup).....		68 10,957 11,055
Total all products.....	30,866	87,841 118,707

\* Columns do not add to totals shown in all cases since rounded figures are used.



## SUPPLIES

### 1949 Production of Steel, Including Use in Food Cans

The following table has been compiled to show the relative amount of steel used in the manufacture of food cans as compared with total steel production and with production of finished steel from which metal cans and other containers are manufactured. These figures represent production in 1949 when the steel industry was operating at approximately full capacity. Increases in capacity and production are being planned.

Production of Steel and Shipments of Metal Cans, 1949

	1949 (in thousands of net short tons)
Production of all steel <sup>1</sup> .....	77,978
Production of finished steel <sup>2</sup> .....	58,104
Production of containers (from finished steel) <sup>3</sup> .....	5,038
Shipments of all metal cans <sup>3</sup> .....	3,277
Shipments of non-food cans <sup>3</sup> .....	1,016
Shipments of food cans <sup>3</sup> .....	2,261

<sup>1</sup>Source: American Iron & Steel Institute.

<sup>2</sup>Source: Office of Domestic Commerce, U. S. Department of Commerce (estimates as of April 5, 1950). <sup>3</sup>Source: Bureau of the Census, U. S. Department of Commerce.

### Use of Food Glass Containers

Shipments of food glass containers have declined since 1946, but 1949 shipments of 37,249,843 gross nevertheless were 114 percent greater than 1940 shipments, according to a recent report by the U. S. Department of Commerce.

The volume of shipments during the first quarter of 1950 indicates that the decline which started in 1946 has been arrested, the report states. Shipments of wide-mouth food glass containers during the first quarter of this year totaled 6,012,975 gross, 21.6 percent greater than the same period of 1949.

Shipments for the first quarter of 1950 were reported incorrectly in the INFORMATION LETTER of July 1. These figures are correct.

Production of all glass containers during the first quarter of 1950 was reported at a preliminary total of 23,505,114 gross, 11.4 percent greater than the 21,091,049 gross produced during the same period of 1949. Shipments during these periods were reported at 22,807,355 and 19,758,130 gross, respectively, a 15.4 percent increase.

### Domestic Sugar Quota Raised By USDA to 7,850,000 Tons

The U. S. Department of Agriculture has announced an increase of 350,000 short tons, raw value, in the supply of sugar that will be available under 1950 sugar quotas. With this increase, the 1950 quota is established at 7,850,000 short tons, raw value.

The increase partially meets the recent request by industrial users of sugar for an increase in the 1950 quota (see INFORMATION LETTER of July 1, page 221).

Distribution of sugar during the first six months of 1950 exceeded distribution during the same period of 1949 by about 170,000 short tons, USDA said.

"It is apparent that demand for sugar is in excess of that contemplated when the initial consumption estimate was announced last December," an announcement stated. "The additional 350,000 tons is provided to meet this increased demand. The revised total of 7,850,000 tons should be adequate to provide all buyers with needed supplies at fair prices."

### Defense Production Bill

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antitrust law prosecution acts or omissions pursuant to a Presidential request and found by him to be in the public interest as contributing to the national defense.

The bills would prohibit rationing of consumer goods for household or personal use at the retail level. However, the legislation appears to be broad enough to authorize the establishment of set-aside orders for canned foods or other products.

## MEETINGS

### Northwest Cannery Association

Special meetings of the board of directors and the members of the Northwest Cannery Association will be held Friday, July 28, in Seattle, it is announced by C. R. Tulley, executive vice president.

### Minnesota Cannery Association

The 44th annual meeting of the Minnesota Cannery Association will be held December 12 at the Hotel Radisson, Minneapolis, it is announced by Edwin W. Elmer, secretary-treasurer.

### Invitations for Bids

Quartermaster Purchasing Office—111 East 16th Street, New York 3, N. Y.; 1819 West Pershing Road, Chicago 9, Ill.; Oakland Army Base, Oakland 14, Calif.

Veterans Administration—Procurement Division, Veterans Administration, Wash. 25, D. C.

Purchase Division, Federal Supply Service, General Services Administration, 7th and D Streets, S. W., Washington 25, D. C.

The Walsh-Healey Public Contracts Act will apply to all operations performed after the date of notice of award if the total value of a contract is \$10,000 or over.

The QMC has invited sealed bids to furnish the following:

CANNED MEAT RATIONS—quantities of 12-oz. cans containing canned meat and poultry products. Bids due at Chicago under Bid No. QM-11-009-50-53 by July 28.

BONED CHICKEN—360,045 pounds in 30-oz. net weight cans, f.o.b. destination. Bids due at Chicago under Bid No. QM-11-009-50-51 by July 28.

SLICED BACON—1,500,012 pounds in 24-oz. cans, f.o.b. destination. Bids due at Chicago under Bid No. QM-11-009-50-52 by July 28.

The Federal Supply Service has invited sealed bids to furnish the following:

CANNED PEACHES—3,600 cases of No. 10 cans. Bids due under Bid No. 1D-90391 by Aug. 25.

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